

27 January 2026

Mr. Paul Chan Mo-po, GBM, GBS, MH, JP
Financial Secretary, HKSAR

Financial Secretary's Private Office
25/F, Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

Dear Financial Secretary

2026-27 Budget Consultation

Thank you for the opportunity to provide a submission in preparation of the 2026-27 Budget.

While geopolitical and global economic pressures persist, Hong Kong's solid performance in 2025 provides a strong foundation for future development and an opportunity to reinforce its long-standing credentials as a global financial and commercial powerhouse and vibrant destination for tourism, culture and sport. We propose the following strategic recommendations for consideration in the upcoming budget which are designed to bolster Hong Kong's sustainable economic growth and competitive advantage:

I. Enhancing Hong Kong's Global Position and Brand

- **Promote Hong Kong's unique value proposition:** A sustained, creative and integrated promotional effort in international markets is needed to further the understanding of Hong Kong's distinct role under the "One Country, Two Systems" principle, its status as an international commercial hub, and its strategic access to the Greater Bay Area, as well as the progressive policy environment and opportunities all this affords. This will help further attract offshore entrepreneurs, talent, capital and tourists. While we see growing momentum, the uniqueness of Hong Kong and the GBA and fast pace of change in the region requires ongoing active promotion, particularly in these uncertain and geopolitically sensitive times. AustCham is committed to working with the HKSAR Government in this promotion.
- **Support a Hong Kong-GBA 2036 Olympic bid:** Building on the timely success of the 2025 National Games and established regional coordination, we recommend a coordinated, cross-departmental funding strategy to explore the feasibility of hosting the 2036 Olympic and Paralympic Games in Hong Kong and the Greater Bay Area and

the commencement of a non-committal dialogue with the IOC. A successful bid will position Hong Kong as a premier destination for mega sporting and entertainment events, alongside business, tourism, and other major events. While we understand this is ultimately a Central Government decision, we see an opportunity for Hong Kong to play a pivotal role in manifesting this unparalleled opportunity to elevate Hong Kong and the Greater Bay Area on the world stage and promote further regional integration.

- **Invest in the cultural economy:** Continue to support initiatives and partnerships to build Hong Kong as a dynamic ‘East-meets-West’ international arts hub, fostering cultural trade and exchange and diversifying its tourism offer to attract more visitors
- **Promote a vibrant, liveable city:** Leverage the new Outside Seating Accommodation (OSA) licensing rules to activate public spaces, such as the waterfront promenade, enhancing the city's appeal for residents and visitors while supporting Hong Kong's food and beverage sector.

2. Attracting Enterprise and Capital

- **Solidify status as premier wealth hub:** Articulate a clear vision and support initiatives that will continue to build Hong Kong's private capital pool and consolidate its status as a regional and global hub for asset management, wealth management and family offices, supported by a strong finance eco-system including an internationally aligned regulatory framework that balances investor protection with market growth.
- **Lead in transition finance:** Leverage strengths to continue to build Hong Kong's regional reputation in green, transition and mining finance, including in relation to critical minerals, gold and energy transition. Build on the success of the green bond programme.
- **HKEX listing reforms and momentum:** Continue program of reforms to boost HKEX competitiveness, attract issuers, diversify listings and modernise processes and infrastructure. Take advantage of HKEX's recent momentum with initiatives that help to connect global companies with Chinese and international investors.
- **Expand Wealth Connect:** Broaden the scope of the Wealth Management Connect scheme to include a wider range of financial providers and products, further attracting growth in Hong Kong's asset and wealth management ecosystem.
- **Streamline business support:** Consolidate existing government funding schemes into a single, user-friendly portal to improve accessibility and advance Hong Kong's innovation and technology goals. The Australian Government's central grants portal (www.grants.gov.au) provides a useful model.
- **Promote Northern Metropolis:** Although recognition is increasing, a more sustained and proactive campaign is needed to raise global awareness of the Northern Metropolis and its opportunities to international investors and businesses.

3. Accelerating Infrastructure and Development for Growth

- **Public Private Partnerships (PPPs):** Establish a clear governance framework for PPPs including flexibility and innovation in financing models and faster, streamlined processes to help attract the aggregate investment required to deliver the Northern Metropolis and other major infrastructure projects.
- **Streamline development approval processes:** Promote growth and improve the competitiveness of Hong Kong with reforms to streamline approval processes for large infrastructure and building projects.
- **Reduce approval times for supporting infrastructure and utilities:** Optimise existing procedures and processes related to road excavation works and underground utilities construction to reduce lengthy approval times and provide greater certainty around time frames and costs.
- **Adopt Northern Metropolis best practice across HK:** apply the streamlining and best practice initiatives being implemented to accelerate the Northern Metropolis developments to all future developments and projects in Hong Kong.

4. Transforming the Talent Eco-system

- **Job creation:** Broaden policy priorities beyond talent attraction to include proactive job creation by actively encouraging companies to establish operations in Hong Kong. This should include offering a competitive incentive package that matches or exceeds Singapore's, targeting new businesses that support priority policy areas - such as retirement services and the event economy - and streamlining processes for business establishment and access to government support.
- **Sector-specific incentives:** Introduce targeted employer incentives to attract high and low-skilled workers in sectors where there are acute shortages including innovation and technology, engineering, construction, hospitality and logistics.
- **Incentivise international hiring:** Collaborate with the business community to create incentive programmes for companies that hire through the Top Talent Pass Scheme and prioritise English language proficiency.
- **Prioritise STEM education:** Encourage STEM careers through expansion and funding of apprenticeships, internships, and recruitment and upskilling programs.
- **Student assistance:** Where there are talent shortages, consider scholarships and housing assistance for mainland and overseas students in return for committing to working in Hong Kong for a specified number of years post-graduation.
- **Strengthen the judiciary:** Proactively recruit top-tier international talent for the Hong Kong Court of Final Appeal and wider judiciary to reinforce global confidence in the rule of law and encourage international investment.
- **Develop vocational pathways:** Establish formal apprenticeship schemes in partnership with the food, beverage, and hospitality sector to address critical skills shortages and promote Hong Kong as a regional hub for hospitality excellence.

- **Prioritise English language proficiency:** Actively prioritise and promote English language skills in education and workforce development to maintain Hong Kong's competitive edge, attraction and reputation as an international city.
- **Facilitate mobility:** Work with mainland counterparts to explore extending multi-entry permit cards to all non-Chinese Hong Kong residents and reducing the permanent residency requirement by one to two years to enhance the city's attractiveness to global talent.
- **Expand maternity leave:** Expand maternity and carer's leave provisions to attract and retain talent, support women's continued participation in the workforce, and advance government objectives to promote women's development, fertility, and a more supportive childbearing environment.

5. Advancing a Sustainable and Green Future

- **Greening the built environment:** Prioritise and incentivise green building retrofits by providing government grants and integrate sustainability mandates into planning processes to improve energy efficiency (e.g., three-phase power in new buildings), providing clarity on infrastructure's role in meeting Hong Kong's net-zero target.
- **Adopt a mandatory built environment rating system:** Implement a mandatory rating system to foster transparency and competition in sustainable development, ensuring office stock meets the evolving standards of corporate tenants.
- **Leverage Gross Floor Area (GFA) concessions:** Make concessions contingent on higher standards for energy and waste management – best in class energy efficiency, life cycle carbon assessment, zero waste building design, and facilitating better waste separation and sorting in buildings.
- **Advance innovation in engineering and construction:** Update building regulations to support sustainable building design and foster the adoption of new technologies such as Building Information Modelling (BIM), Design for Manufacture and Assembly (DfMA) and Modular Integrated Construction (MiC). Provide incentives and collaborate with industry and academia to drive research and innovation in sustainable engineering practices.
- **Transition finance framework:** Provide greater detail on Hong Kong's transition finance framework and taxonomy. Allow natural gas-fired power as a transitional activity with practical emissions limits and end dates. Recognise nuclear power as a green activity due to its stable -zero carbon output and growing role in Hong Kong's energy mix. Acknowledge -entity level transition plans to support wider decarbonisation strategies and strengthen project -level credibility.
- **Incentivise electric vehicle uptake:** Extend tax concessions for electric vehicles, maintain waivers for commercial EVs, and accelerate the rollout of charging infrastructure.

6. Building Climate Change Resilience

- **Prioritise upgrading public infrastructure:** To protect against escalating extreme weather, reinforce coastal defenses, enhance flood resilience and increase maintenance of slope stability throughout the city.
- **Work with private developments:** Ensure implementation of appropriate flood prevention measures and drainage system upgrades especially during planning and development.
- **Improve climate data access:**
Create a single, easy -to -access public portal that integrates GIS data from all 18 District Councils with key government systems and tools. For example, the Drainage Department's real -time flood monitoring, the Greater Bay Area's storm early -warning system, and the Water Supplies Department's Intelligent Water Network.

7. Optimising the Built Environment: Social Infrastructure and Housing

- **Prioritise public realm and social infrastructure development:** Accelerate the creation of high-quality public spaces and facilitate attractive financing packages to incentivise essential social infrastructure.
- **Address student housing to build an education hub:** To realise Hong Kong's ambition of becoming an education hub, we recommend releasing specific urban sites near universities and MTR stations for sale, with restrictive covenants for student-only accommodation. This approach, with a commercial plot ratio, could provide a more viable and sustainable pipeline of affordable student housing than complex commercial conversions. Additionally, new regulations enabling office-to-student housing conversions should also allow hotel buildings to be repurposed for student accommodation.

The Australian Chamber of Commerce in Hong Kong welcomes further dialogue on the above recommendations and remains ready to work with you and the Hong Kong Government to support the implementation of these and other initiatives for the continued progress and prosperity of Hong Kong.

Yours sincerely



Jason Chang
Chair